

**MINUTES OF MEETING OF BOARD OF TRUSTEES OF THE  
CITY OF NEWPORT NEWS EMPLOYEES' RETIREMENT FUND**

**February 27, 2014**

**City Council's Conference Room/Tenth Floor**

**9:00 a.m.**

1. Roll Call: JoAnn Armstrong (X), Bill Eastburn (X), Art Gudikunst (X), Philip Hatchett (X), Frank James (X), Bobby Lanier (X), Robert Lee (X), Kimberly Powell (X), Richard Wuska (X).

Rich Caplan (X), Marty Eubank ( ), Bill Keeler (X),  
Cathy Matthews (X), Tom Mitchell (X),  
Tonya O'Connell ( )

Others present: Cindy Rohlf, Assistant City Manager  
E. L. Gibson, Retiree  
R. E. Phelps, Retiree

2. Call to Order.

The Chairman called to order the regular meeting of the Retirement Board at 9:00 a.m. on February 27, 2014 and welcomed everyone.

3. Minutes of Meeting of January 30, 2014:

The minutes were approved as submitted.

4. Committee on Investments:

Assets as of January 31, 2014:

|                 |   |
|-----------------|---|
| Pension         | \$813,886,416   |
| Post Retirement | <u>24,074,803</u>   |
| <br>Total       | <br><span style="border: 1px solid black; padding: 2px;">\$837,961,219</span> |

Mr. Gudikunst reported that compared to a year ago, the Fund had an increase of 8.1% and the Post Retirement had a negative 1.3%. This is after all payments to beneficiaries and contributions from the City. He also gave an overview of the Fund through the end of January.

a. Review of February 18, 2014 meeting

Mr. Gudikunst reported for the Committee on Investments. He noted that the Committee agreed to continue their discussion about asset allocation strategies, direct real estate investments and active versus passive management.

Mr. Mitchell announced that the Request for Proposals, for the Investment Consultant, submittals are due on February 27, 2014, and that he is expecting a good response. The steps involved in the interview process will be presented to the Committee on Investments.

5. Committee on Administration:

Mr. Hatchett mentioned three things that the Committee on Administration must accomplish and that the Committee on Administration will work jointly with the Committee on Investments on the Request for Proposals and the local investments projects.

- Review RFP submittals for the Investment Consultant and selection of the short list of respondents to be interviewed
- Discuss local options for direct real estate investments
- Review the NNERF budget for next year

Mr. Hatchett asked that the Committee on Administration meet prior to March 15.

Mr. Mitchell said staff would distribute a copy of the cover page of the RFP for the Investment Consultant to members so that they will have the basic evaluation criteria. He also stated that he would like to have the consultant interviews conducted in April.

6. Disability Review Committee:

a. Review of December 30, 2013 meeting

- Applicant #48282:  
The Committee reviewed Applicant #48282. It was the opinion of Dr. Lee that the applicant has seen no substantial improvement in his condition.

Applicant remains functionally incapacitated from performing his prior job. Applicant's Whole Person Impairment rating is 12%.

The Committee unanimously recommends they continue 48% Disability Retirement based on Section 31-59A Non-occupational disability for a partial and temporary disability.

*Approved* Upon motion duly made, the Board unanimously approved the Committee's recommendation to continue the award of 48% Disability Retirement based on Section 31-59A Non-occupational disability for a partial and temporary disability.

Applicant #34139:

The Committee reviewed Applicant #34139. It was the opinion of Dr. Lee that the Applicant is functionally incapacitated from performing any gainful activity and such condition is permanent. The Committee unanimously recommends an award 100% disability based on Section 31-57 Non-occupational disability retirement for a total and permanent disability.

The Committee unanimously recommends an award of 37% Disability Retirement based on Section 31-57 Non-occupational disability for a partial and temporary disability.

*Approved* Upon motion duly made, the Board unanimously approved the Committee's recommendation to award of 37% Disability Retirement based on Section 31-57 Non-occupational disability for a partial and temporary disability.

7. Benefits & Welfare Committee:

There was no report.

8. Old Business:

Mr. Mitchell announced that staff held three meetings at different locations regarding the changes to the 2014 NNERF Plan. Two changes were communicated to employees: 1) the limitation on the purchase of "non-qualified" time of no more than five years and 2) the cost to purchase non-

qualified time at retirement has been updated and now will cost more (information provided by the actuary). The change will be effective for individuals retiring on or before June 30, 2014.

Mr. James announced that examples were given to employees which he found to be beneficial to the employees understanding the changes to NNERF.

Ms. Powell asked the Board if there is a mechanism in place to locate terminated vested employees. Board members suggested that employees be informed of their need to have a Will prepared or a beneficiary selected. Mr. Mitchell said he anticipates having the new Benefits Manager schedule employees meetings to cover the above topics and other related benefits issues.

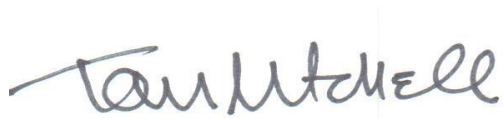
9. New Business:

Mr. Mitchell reminded the Board of the Newport News Boards, Commissions, and Committees reception being held on March 5 at the David Student Union Ballroom, Christopher Newport University.

10. Adjournment:

There being no further business to come before the Board, the meeting was adjourned at 10:00 a.m.

A true copy, attest:

A handwritten signature in blue ink that reads "Tom Mitchell". The signature is written in a cursive, flowing style.

Tom Mitchell, Secretary  
Board of Trustees